

Book Review

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TRANSNATIONALIZATION AND REGULATORY CHANGE IN THE EU'S EASTERN NEIGHBOURHOOD: UKRAINE BETWEEN BRUSSELS AND MOSCOW

Author: Julia Langbein

This book examines the factors shaping regulatory change in the EU's Eastern neighbourhood by tracing Ukrainian convergence towards transnational rules (both EU and international) from 1994 to 2012. It primarily analyses cross-sectoral variation across four policy sectors (shareholder rights, technical regulation, telecommunications and food safety) in regulatory convergence towards transnational market rules in Ukraine (2015: 24). Langbein does not just study what comes out of that analysis, she also seeks to generalise how the EU acts as a change agent in its neighbourhood. The author adopts process-tracing analysis to identify conditions under which regulatory change takes place in a post-communist country, such as Ukraine. In terms of its theoretical approach, the paper reflects on rational choice, management/institutionalist and governance scholarship.

The book comprises a brief introduction and six chapters; all informative and well structured. The first chapter theorises transnationalisation and regulatory change in the EU's Eastern neighbourhood and provides an overview of the relevant literature on historical institutionalism, rational choice and the study of regulatory change/governance. Additionally, it conceptualises regulatory convergence in terms of 'self-regulation'; 'delegation to private actors'; 'enforced self-regulation'; 'output regulation'; 'co-regulation'; 'consultation and cooptation of private actors'; and 'lobbying' (2015: 9). This allows the author to study policy variations in chosen policy sectors and systematically examine patterns of transnationalisation and regulatory change in Ukraine. The second chapter explores shareholder rights in Ukraine at length: the deep transnationalisation of public and private actors, the EU's unique role as a regulatory actor, along with Russia's impact on Ukraine's shareholder rights regulation. It offers an illustrative discussion of EU conditionality and its distinctive role which supports Ukraine's transnational reform coalition. Based on innovative criteria introduced by Langbein, chapters three, four and five examine the effectiveness of the EU governance initiatives in the field of technical regulations, telecommunications and food safety. The final section concludes.

Langbein links mechanisms of transnationalisation by analysing how local incentives and capacities change over time. By doing so, she develops a precise research framework about the dynamics of transnationalisation and regulatory governance. Langbein brings scholarly attention to the important question of regulatory governance by examining the experiences of the post-communist state. When explaining regulatory change, Langbein argues that there are four dimensions of regulatory convergence: 1) the formal adoption of transnational rules; 2) the existence of forms of governance based on internal rules that correspond to the prescription of transnational rules; 3) the capacity of private and public actors to play their expected roles in these forms of governance; and 4) the actual implementation of the rules on the ground (2015: 9-10). She argues that it is necessary but not sufficient to examine to what extent state actors adopt, monitor and enforce rules ('output'), and whether state and non-state rule targets follow these rules ('outcome'). She contends that state

actors increasingly need to coordinate regulatory measures with non-state actors due to the complexity of the globalised economy. These are important points, but they still do not bring the audience closer to understanding what is implied by the term 'coordination'.

Nevertheless, most importantly, Langbein does bring the issue of coordination to the attention of the reader. The existing scholarly literature reveals that the European Union's coordination role has indeed been limited both internally and externally. For example, bearing in mind Russia's territorial instincts, the EU has to advance coordination mechanisms which help develop dynamic and capable cooperative relations with Russia. Dimitrova and Dragneva (2009) have previously used EU-Ukrainian relations to test how the influence of Russia affects the EU's ability to export its norms and rules abroad. They argue that interdependence with Russia is a key variable that defines the effectiveness of EU's external governance. In addition, the Russian worldview does not include an understanding of external governance as a projection of the EU's own multi-level governance system. The existence of the above-mentioned factors has important implications, ranging from delimiting what the EU can achieve in its neighbourhood policies to requiring internal EU policy adjustments to take into account Russia's presence, as Langbein incorporates into her analysis.

Independent regulatory authorities or private companies which achieve regulatory tasks such as certification or monitoring according to European and international market rules were not needed during communism when economies were regulated by the state. Therefore, Langbein argues that capacity building (the transfer of knowledge, technologies, financial resources and skills) through networks contributes to regulatory change in a hierarchical governance structure like Ukraine's. Domestic agents of change and lobbying activities by civil society actors are supported by foreign actors through various transgovernmental initiatives: twinning, Technical Assistance and Information Exchange (TAIEX) or legal advice centres like the Ukrainian European Policy and Legal Advice Centre (UEPLAC), which bring institutional change and transform Ukraine. However, Langbein does not include civil society movements in the analysis on the grounds that they are not well developed and are passive in the EU Eastern neighbourhood countries. Civil society elites are therefore underrepresented and undervalued by her study. However she admits that interactions amongst various actors at different level of governance as well as interactions amongst private actors can impact on a more direct or indirect way on domestic regulatory change (Langbein 2015: 11).

It goes without saying that more empirical work is needed to understand better the interactions between different actors and institutions which are capable of bringing regulatory change in the EU's Eastern neighbourhood. Excellent analysis conducted by Langbein of the determinants of regulatory change along with the empirical richness of her cases greatly contributes to scholarly studies on European governance and institutions in general and the literature on transnational market making in particular. According to Roland (2005), institutions have no meaning if the constraints they impose are not enforced. In the exogenous models, enforcement relies on the role of a third party. Such models, therefore, have the disadvantage of raising the questions of where these third parties derive their enforcement power and what their incentives are to enforce the rules (Roland, 2005). Policy dialogue therefore requires not just a dialogue with governments but also with different components of civil society at large, especially with civil society elites who have not just an interest but also extensive expertise and training in rule enforcement. Those elites are not necessarily represented in governments but are a very active component of civic life in post-communist countries. Langbein, who argues that the EU and international/regional organisations facilitate cooperation and coordination within various state, sub-state and private actors, for example, reform-minded segments of bureaucracy, or civil society agents, endorses Roland's statement about the role of third parties and importance of their enforcement power.

Additionally, this study contributes to our overall understanding of EU-Russia relations by offering an alternative governance perspective as opposed to Russia's expansionist perspective.

Europeanisation literature predominantly focuses on Russian power politics assuming it is the reason for current regional conflicts. The comparison of cross-sectoral policies and regulatory change, which Langbein extensively researched for her book, shows that Russia not only weakened but also strengthened support for regulatory integration with the EU and international markets in Ukraine. Langbein is suggesting analysing numerous Russian transnational actors and their impact on domestic change and by doing that she adds particular nuance to the study of governance. She concludes that Russia's presence does not necessarily hinder the integration of the EU's Eastern neighbours into international markets. Rule enforcement is happening despite the lack of an EU membership perspective and the presence of Russia as an alternative governance provider. That, without any doubt, provides a platform to further studies of not just Russia as an alternative provider of governance, but the role of regional organisations such as the European Union, and the Eurasian Economic Union.

In all, this informative and thoroughly researched book will be of interest to a broad audience, both practitioner and academic. This is a fascinating study since the book provides comprehensive analysis, coupled with empirical evidence, over the unfolding debate about transnational governance and regulatory change within the European neighbourhood. The case studies presented by Langbein shows that overall transnationalisation has been an efficient instrument for European integration and the development of transnational market making rules. However, recent events in Eastern Ukraine demonstrate that despite an existing degree of institutionalisation of sectoral policies in countries with transition economies, effectiveness in solving territorial and governance conflicts has remained rather weak. The challenges Ukraine faced, and still faces, will certainly encourage academics to conduct further research in areas of transnationalisation, regulatory change, and policy coordination in post-communist countries. In a timely manner, Langbein's study obviously demonstrates that international competitive pressures and domestic regulatory capacity building play a significant role in determining Ukraine's future course in line with European integration.

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BIBLIOGRAPHIC INFORMATION

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